

115TH CONGRESS  
1ST SESSION

# H. R. 2277

To amend the Securities Exchange Act of 1934 to prohibit Members of Congress from receiving a discounted price in certain private offerings of securities.

---

## IN THE HOUSE OF REPRESENTATIVES

MAY 1, 2017

Ms. SLAUGHTER introduced the following bill; which was referred to the Committee on Financial Services

---

## A BILL

To amend the Securities Exchange Act of 1934 to prohibit Members of Congress from receiving a discounted price in certain private offerings of securities.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “End Congressional  
5 Stock Market Abuse Act of 2017”.

6 **SEC. 2. PARTICIPATION IN SECURITIES TRANSACTIONS BY**  
7 **PUBLIC OFFICIALS.**

8 Section 21A of the Securities Exchange Act of 1934  
9 (15 U.S.C. 78u–1) is amended—

1           (1) in subsection (i), by striking “(within the  
2 meaning given such term in section 12(f)(1)(G)(i))”  
3 and inserting “on a United States or foreign securi-  
4 ties exchange”; and

5           (2) by adding at the end the following:

6           “(j) PARTICIPATION IN SECURITIES TRANSACTIONS  
7 BY MEMBERS OF CONGRESS.—

8           “(1) DEFINITIONS.—In this subsection—

9           “(A) the term ‘covered security’—

10           “(i) means any security that is regu-  
11 larly traded on a United States or foreign  
12 securities exchange; and

13           “(ii) includes any comparable eco-  
14 nomic interest acquired through synthetic  
15 means such as the use of a derivative or  
16 short selling any publicly traded security;

17           “(B) the term ‘price’—

18           “(i) means—

19           “(I) in the case of a purchase,  
20 the national best offer, as defined in  
21 section 242.600(c) of title 17, Code of  
22 Federal Regulations;

23           “(II) in the case of a sale, the  
24 national best bid, as defined in section

1                   242.600(e) of title 17, Code of Fed-  
2                   eral Regulations; or

3                   “(III) any other value, as deter-  
4                   mined by the Commission; and

5                   “(ii) does not include any commission  
6                   or fee paid to a broker or third party; and

7                   “(C) the term ‘United States or foreign se-  
8                   curities exchange’ means—

9                   “(i) a national exchange described in  
10                  section 6; and

11                  “(ii) a designated offshore securities  
12                  market, as defined in section 230.92 of  
13                  title 17, Code of Federal Regulations.

14                  “(2) PROHIBITION.—

15                  “(A) IN GENERAL.—Except as provided in  
16                  subparagraph (B), a Member of Congress may  
17                  not—

18                  “(i) purchase a covered security for  
19                  less than the price available on a United  
20                  States or foreign exchange;

21                  “(ii) sell a covered security for more  
22                  than the price available on a United States  
23                  or foreign exchange; or

1           “(iii) purchase a private placement of-  
2           fering of a covered security available on a  
3           United States or foreign exchange.

4           “(B)   EXCEPTION.—Subparagraph   (A)  
5           shall not apply if a Member of Congress reason-  
6           ably believes that—

7                   “(i) in the case of a purchase of a  
8                   covered security, the discount was obtained  
9                   in a manner generally available to the pub-  
10                  lic; or

11                   “(ii) in the case of a sale of a covered  
12                   security, the premium was obtained in a  
13                  manner generally available to the public.”.

○